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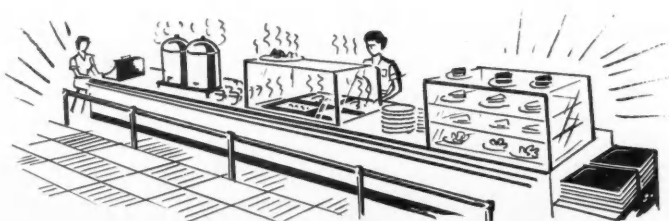
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J O U R N A L

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FOURTH QUARTER
1958

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Editorials

LET'S STOP PROFESSIONALIZING

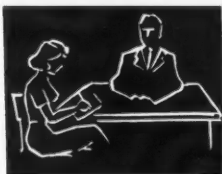
Every time we get together with personnel people the question of personnel managers building themselves up into a profession comes up. There seems to be a great yearning to be regarded in the same class as company doctors and lawyers, and some people regard federation as a step in that direction.

I was interested to read in *Personnel* July-August number an article by James M. Jenks, secretary, Alexander Hamilton Institute, Inc., New York City, in which he says that people in personnel and training for at least a decade have been busily engaged in sawing off the limb they are sitting on. He is referring, of course, to the earnest but,

in his opinion, misguided efforts to professionalize personnel men. The interesting point to me in his article was that he thought the drive behind this pressure for professionalization was a feeling of insecurity on the part of personnel people. Here's what he says about it:

"I think one reason personnel men have plunged into professionalization is because they have a subconscious sense of insecurity. The day-to-day contribution of the production people is readily apparent. The sales department flexes its muscles and proves that the business wouldn't survive without it. Accounting or control has its tangible evidences of its importance in the form of ledgers and books of account. All of these things can be quantitatively measured and their relative values to the company assessed.

"Not so the contribution of the



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personnel department. Here is something intangible that costs money. Subconsciously personnel may feel the company could get along very well without it — at least for a short time. This has driven personnel men to seek security by blowing up their own importance. But this has not been necessary.

"If we want some day to run a business, we must join management — not separate ourselves further from it. Our understanding of management problems will be reflected back to us by management, by greater understanding of the personnel function. The route to top management lies only in one way. And that way will be open for insiders and closed to any type of professionalized personnel practitioners."

PROPOSED CONSTITUTION

The Federation Founding Committee has completed its job of drawing up a proposed constitution. The personnel associations across Canada have now received copies of this and a request that they study and discuss it prior to the Trans-Canada Conference.

The Fourth Annual Trans-Canada Conference of Personnel Associations will be held in conjunction with the Fall Conference of the Personnel Association of Toronto Inc., at the Royal York Hotel, November 20. Federation meetings will follow on November 21 and 22 at the Park Plaza Hotel. The Founding Committee is hopeful that every association will be represented.

Nobody should get the idea that this is the last word on the constitution. I sat in with the founding committee and I know how anxious they are that our people across Canada understand that they have simply tried to incorporate as many viewpoints as possible.

The Trans-Canada Conference

will be most interested in other viewpoints and will try to achieve a common understanding among all Canadian personnel people.

SHIFTING THE PROBLEM OF THE UNION SHOP

We thought we had heard all the arguments in favour of "Right To Work" legislation.

Proponents who have carried it into law in 18 states and have nine others considering it say such legislation would:

- protect the individual from exploitation

- check monopoly power of unions

- provide a more favourable climate for industrial growth

- prevent use of union dues and membership from supporting measures which some members do not approve

- require a union to sell itself to its members as it should.

A thought which was new to us was recently presented by Professor Harry Seligson of the University of Denver.

He had heard all the arguments presented by the unions in favor of the union shop and about union membership being like membership in modern society; we don't like paying taxes or obeying certain laws, but for the good of society we are compelled to do so.

The professor says that there is something that makes the requirement of joining a union more onerous than some of the other conditions we must satisfy to live in a competitive society. He dismisses the problem as to whether a union shop is good or bad. "Rather," he says, "the more basic question centers around the necessity of requiring unions to provide internal democratic processes so as to safeguard the rights of the members."

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He contends that the union shop should be left to bargaining, just as all the other clauses in the contract are.

But, he points out that in leaving this matter to collective bargaining the union "will have to pay a price if it succeeds in getting a union shop. It must be prepared to acknowledge that it is no longer a voluntary association — as the common law has held it to be for many years. Furthermore, it must be prepared to accept a degree of regulation in its internal affairs. If unwilling employees are required to join a union, then it no longer makes sense to contend that they should do so in order to help share the burden of expenses. These members must also be assured that the union will provide them with 'due process' in case they have a grievance against the union."

It will probably take a long time to get unions into the frame of mind where they will accept this requirement, and in the meantime it may be necessary to have some sort of "Right To Work" legislation.

But the professor looks to be on the right track.

EDMONTON PERSONNEL DEPARTMENT PREPARES MANUAL

The Personnel Department of the City of Edmonton has prepared a most complete manual on the history of the city and facts about its operation for use in training supervisory personnel.

Julian Suski, who prepared it for the Personnel Department, says that the city finds it useful to explain its purpose and its history, just as industry does — "in order to create closer and firmer relations between

the employee and the employer and to make the employee a conscious part of the company, proud of its achievements and sensitive towards possible shortcomings."

As to the effectiveness of this type of training, Mr. Suski says that at the present time they have been able to trace the effects of the manual only on the superintendents of their city departments. He says they have received a number of favorable reactions and suggestions about how the material can be added to. In certain departments, he says, they are even able to trace the effect of the manual on departmental planning and inter-departmental collaboration.

If you are interested, I'm sure the Personnel Department of the City of Edmonton would be glad to send you a copy.

QUEEN'S 21ST ANNIVERSARY

Congratulations to Professor J. C. Cameron and his associates in the Queen's Industrial Relations Department on reaching the age of 21. In mid-June scores of old friends gathered at Queen's to celebrate with Jim Cameron the coming of age of his department.

A conference was held to mark the anniversary and a most pleasant time was had by some of Canada's leading industrialists and industrial relations men. Jim Cameron and his associates have affected the policies of a good cross-section of Canadian companies.

We have not covered the conference in depth as the department is, we understand, preparing a comprehensive report which will be available later.

SARNIA PERSONNEL ASSOCIATION REACTIVATED

R. G. Morrow, secretary of the Sarnia and District Personnel Association reports that the Sarnia and District Personnel Association was reactivated at the start of 1957 after a lapse of approximately a year and a half. The response to this reorganization has been very gratifying and the Association now has a membership of 65. Regular well attended monthly meetings have been held since that date with a summer interval of two months. A number of different type meetings have been tried, including dinner meetings, night meetings, formal talks, audience participation skits, and group discussions. The Association promises to be a very active one in the District. The Association's officers who will remain in office until the 31st of December 1958 are as follows: President, Mr. G. N. Watson; Treasurer, Mr. W. White; Secretary, Mr. R. G. Morrow. In addition, the Programme Chairman is Mr. T. Murray, with Mr. P. Tizard and Mr. J. Gifford completing the Executive.

ADMINISTRATIVE DEVELOPMENT COURSE AT U. of T.

As part of its responsibility for education in administration, the Institute of Business Administration at the University of Toronto is offering a post graduate course in administrative development.

There are no fixed prerequisites for registration in the program but the applicant must have a knowledge of business gained through experience or study.

Courses of study offered are Human Relations in Administration,

by Professor J. C. Sawatsky; Industrial Relations Part I and Part II by Professor W. S. Thomson; and in Personnel Administration by J. A. McIntyre.

Lectures begin around the middle of October and run to mid-December for the first term. Second term runs from early January to mid-March. Fee is \$40 per full subject. Application should be made to the secretary, Institute of Business Administration, 273 Bloor St. West, Toronto 5, Ont.

P. A. T. 6th ANNUAL FALL CONFERENCE

The 1958 Fall Conference is scheduled for November 20th at the Royal York Hotel.

The timely topic "Cost Reduction through effective Personnel Administration" is well supported by a number of top-flight speakers including Alan Mogensen of Lake Placid; Walter Powell well-known in American Management Association circles; Al Lateiner, Safety Consultant from New York and qualified Toronto people.

The Conference will be a one-day affair with concurrent sessions morning and afternoon, dealing with Cost Reduction techniques in Collective Bargaining, Cost Reduction through Accident Prevention, Cost Reduction through Insurance Claims Administration, Productivity Improvement through People and Cost Reduction through Employee Development.

Registrations may be made through O. A. Petersen, Secretary-Manager, the Personnel Association of Toronto, 134 Bloor St. W., Toronto.

Attitudes of Employers Towards Mental Illness

How Do You Handle an Ex-Mental Patient Applying for a Job?

by Doris Christina Clark*

The twentieth century has brought a new approach to the treatment of mental illness. Some 60% of the approximately 70,000 persons in mental hospitals in Canada in 1958 will be able to return to the community as improved; many entirely well. In this group which will return (about 42,000 persons), 15,000 to 17,000 are normally in the nation's labour force. Psychiatric and social skills, shock therapy, medical and occupational therapy all play their part in restoring to rational thinking and living the person who has suffered a neurosis or psychosis.

Public acceptance has not kept pace with science, however, and the discharged patient often finds it well nigh impossible to re-establish himself as sane and capable in the eyes of his friends and those with whom he works. Evidence of stigma and misunderstanding are repeatedly encountered by him, and by the social workers and employment agencies attempting his rehabilitation.

According to special placement officers of the National Employment Service, "The attitude of employers generally appears to range from outright rejection to a casual acceptance." These specialists comment

that work itself is therapeutic and that if a suitable placement can be made, the convalescent patient may continue to improve. For this reason, the prime need is seen to be for the employer to have more understanding of the problems of ex-patients and to be willing to assist the individual and abide by certain of his or her limitations, especially during this adjustment period.

The British Approach

Labour laws in Britain now strive towards the achievement of some balance between the employment of healthy individuals and those who are in some way handicapped. The Disabled Persons (Employment) Act, 1944, requires every employer with 20 or more workers to employ a certain number or quota of registered persons. The quota for each employer is a percentage (at present three) of the total number of employees.

Personnel Specialists in Toronto

A lively interest in the difficulties of those who have been mentally ill was shown by a group which might be said to be in the vanguard of enlightened public opinion, when the author was invited to discuss the topic at a meeting of the Selection and Placement Group of the Toronto Personnel Association in April of last year.

The group, which consisted of 15 personnel officers of Toronto firms, expressed a need to be guided by

*This study was made in 1957 in partial fulfillment of requirements for the degree of Master of Social Work, which she obtained from the School of Social Work, U. of T. Miss Clark is Executive-Secretary of the Metropolitan Immigration Committee, a section of the Social Planning Council of Metropolitan Toronto. She graduated previously from McGill in Arts and Social Work and has spent several years in the personnel field.

the psychiatrist and to consider any applicant with a history of mental illness on an individual basis. All agreed that too little was known about diseases of the mind. The suggestion was made that if those concerned with the rehabilitation of such people could draw up some sort of guide as to the kinds of jobs individual ex-patients could reasonably be expected to cope with, (keeping in mind the many kinds and degrees of mental illness — some with no residual damage) this would be of considerable help.

The necessity of making decisions about staff in co-operation with departments of industrial relations or with unions was seen as a somewhat limiting factor in some cases, the main issues having to do with standard wage rates and seniority.

It would be difficult, it was said, to make allowances for the convalescing ex-patient who was unable to keep up with the expected rate of production, as the union was unlikely to countenance any compromise in wage rates. Also, the thought was expressed that the importance attached to seniority would present difficulties in attempting to hire, or retain through periods of partial lay-off if hired, the person who could not be expected to move up to the more remunerative (but more demanding) job when the opportunity arose.

These specialists saw the situation as far from hopeless, however, and felt some obligation to share the tasks involved in rehabilitation, especially when it involved individuals who had had previous employment with their firms.

Scientific Study

In the summer of 1957 a survey was made of a cross-section of 34 representative Toronto employers to discover just how strong is the car-

ry-over from past centuries of stigma affecting persons who have been mentally ill.

Employers included the following categories: retail stores, banks, insurance companies, warehouses, manufacturing concerns, restaurants, laundries, hospitals and public utilities. Such individual employers were included as the Bell Telephone Company, the Ontario Hydro-Electric Commission, the Civil Service Commission of Ontario, the Toronto Transit Commission and the Board of Education. Occupations in such organizations might bring into the picture work involving tensions, safety factors, professional skills and personnel practices providing opportunities for advancement.

The enquiry took the form of personal interviews with employment officers of such organizations, whose staffs were sufficiently assorted as to include skilled and unskilled workers, industrial, sales and office workers; organizations in which occupations were predominantly in the service of people, as well as those where employees worked primarily with things. Size of organization varied from those employing less than 100 workers to those with staffs of well over 1,000 employees.

The interview schedule included a series of considerations designed to bring out answers to such questions as:

1. Are employers willing to hire persons who are known to have had a period of mental illness?
2. If so, under what conditions?
3. What reasons prompt these attitudes?

Practices and opinions of the employers in the sample were invited and explored, with illuminating results.

Responses varied from: a "low" of a decidedly negative attitude;

to prejudice due to superstition; to indecision; to a willingness to help; to a readiness to seek expert guidance; and finally to a sense of obligation to carry a share of the load of (presumably) mentally handicapped workers.

Eight of the interviews (about one-quarter) were with persons who were handling employment for large industrial organizations.

Their responses revealed some notable similarities. All eight showed considerable interest in the enquiry, and a willingness to probe their own thinking and knowledge. All eight saw mental illness as a difficulty which was likely to require their attention occasionally.

They expressed the thought that while they would not *make* a job for anyone, an ex-patient who applied for work would stand as good a chance of being given it as anyone else; that is, his particular abilities would be taken into account, with due thought being given to the handicap which his past illness might mean for him. The comparison was made with other illnesses, that a man who had had tuberculosis or a heart attack would have to be more careful from then on; and so it would be with the person who had had a mental illness.

Expert Guidance Sought

Each of these respondents frankly expressed their own feelings of inadequacy in making judgments in this regard alone; each had recourse to expert guidance in the matter, either through their company doctor or an outside agency.

They appeared to be more inclined to make judgments on an individual basis than to generalize, and showed an effort to arrive at some balance between a necessity to obtain capable, well-adjusted personnel and an obligation which they felt to do their share in employing

ex-patients of mental hospitals, as well as other handicapped people. In selecting jobs which they thought might be suitable, the thought was repeatedly expressed that the work must be to the person's advantage.

Some General Conclusions

Significant findings of the study were: the employer's lack of knowledge about mental illness, the widespread tendency to generalize on the basis of extremely limited experience with persons who had been mentally ill, the limited nature of work which would be entrusted to ex-patients, the degrees of willingness and capacity of certain kinds of employer to help with the rehabilitation of ex-patients of mental hospitals, and the need for further research of several kinds.

"We Don't Know Enough About It"

When it came to making judgments about persons who had been mentally ill, the feelings of inadequacy on the part of the employers in this study seemed to be fairly general. With some, this lack of knowledge induced an attitude of shying away from the threatening unknown; with others a sympathy for the individual needing a helping hand impelled them to "take a chance." Even where there was expert guidance to be had, the employer in some cases still had his own reservations because he did not know enough about the implications of mental illness.

Employers who considered mental illness as "just like any other illness" revealed lack of knowledge too. Often such a respondent became uncertain and thoughtful when an actual case of mental illness was described, and as he saw some of the social and economic implications involved in the hiring of such a person.

The almost universal willingness

to rehire former employees who had had a period of mental illness was one of the most hopeful signs found. In these cases employers are acquainted with the ex-patients as individuals, have come to value their services and also to feel some responsibility for them as employees. This impels them to jump the hurdle of doubt and lack of knowledge about mental illness and do what they can for their protégés.

The Fallacy of Generalization

Statements that equate mental illness with "temperamental people," "moody people," or that delineate nervous breakdown as something different, are evidences of a tendency to generalize. The statement that "all mental illness is the same," or that "it depends on the genes you are born with," or that "anyone can break down under strain," are considered by Dr. J. D. Griffin, General Director of the Canadian Mental Health Association, as generalizations which obscure the facts.

The fact that most respondents thought evidence of rehabilitation important was a hopeful sign. This was in line with the statements of placement officers of the National Employment Service, who considered that work in itself was therapeutic. Findings of the World Health Organization bear this out:¹

The term work therapy implies that a work situation may have therapeutic value. There seems to be a fundamental human need to make use of mind and body in a constructive way. To afford a man the opportunity to do this, particularly if in the process he acquires new skills, would seem to add to his self-esteem. The factor of accomplishment seems to be particularly important and appears to give the individual a feeling of control over his environment.

1. Maxwell Jones, *Rehabilitation in Psychiatry*, United Nations World Health Organization, (WHO/Ment/30), July 1952, P. 73. (Multigraphed work paper).

What Work Can the Ex-Patient Do?

Chiefly the ex-patient was thought by the respondents to be able to do the simple, unskilled jobs. He would not be put at work where there was pressure, nor nervous tension, nor strain of any kind. He could not be expected to ever become an executive.

Contact with people in selling or serving the public was believed to create tensions which no ex-patient could be expected to sustain. This was by far the most sweeping selection when it came to the kind of a job he could do. The more directly the job was associated with service to the public, the fewer were the chances of the ex-patient ever being hired for it.

Secondary was the thought that machines were exacting and tension-producing too. Only the "small, simple, safe machine" was presumed operable with safety by the person who had a history of mental illness. Even here the success of such placement was thought contingent on the steadiness of the worker and the considerate supervision of his foreman.

The fact that he would not be hired for more responsible executive work would indicate that the better educated and more capable the former mental patient is, the more difficult his rehabilitation will be. Progress through the steps from menial, much supervised routine work to responsible positions which put to use his native and trained abilities will be slow.

Such reservations draw the comment from Dr. Griffin that when a highly intelligent person is put at work so simple and unchallenging as to bore him and make him feel ineffective, this is unreasonable and wasteful. It may, indeed, in itself contribute to a relapse.

There is plenty of evidence, he

states, to prove that many an ex-mental patient is just as capable of functioning in an administrative capacity as the executive worker who does not have a mental illness in his past.

Dr. Griffin decries also the tendency in industry to "hush-hush" the mental illness of the president or senior executive, while the run-of-the-mill worker risks demotion following similar breakdown — "for reasons of safety" or the like. Such decisions are often made without due attention to residual capacities, in either case.

The request received from the Selection and Placement Group of the Toronto Personnel Association that "some sort of guide be drawn up as to the kinds of jobs ex-patients could be reasonably expected to cope with," would point up a possible method of overcoming lack of knowledge of employment for which the ex-patient was fitted. To meet the needs and use the skills of a large variety of ex-patients, with due reference to their specific handicaps, if any, such a guide would need to indicate individual differences in some detail.

Employers Who Will Help

The evidences of comparative absence of stigma in the responses of the industrial personnel manager would encourage optimism in approaching such employers on behalf of ex-patients. The expressed anxiety of such specialists about the importance of the work suiting the applicant's abilities and their concern about their own lack of information would point up the necessity for a closer link-up between psychiatrist, social worker and employer. This could be done on an individual basis in work with specific patients as well as through the use of contacts with employer organizations, interpretive literature

in personnel periodicals, and similar means.

The fact that the employers in the cross-section who expressed willingness to devote time to rehabilitation were all in comparatively small organizations is perhaps significant. The personnel manager of the larger firm, who is presumably more enlightened, is also busier and further removed from the workers he hires. This may indicate that the smaller organization is a special resource for the social worker concerned with the rehabilitation of the ex-patient who has some skills but who needs careful handling and help for a time.

The willingness of the public utility and the public service organization to assume responsibility for a share of the community's handicapped workers should also be kept in mind. Here, expert and individual consideration is given to the ex-patient, with due weight placed on such things as nature of illness, type of work, strains on the job and potentialities of the worker. A medical service within the organization can, of course, be a potent force in the maintenance of good mental health.

To these considerations Dr. Margery King of the Canadian Mental Health Association adds the following:

The person who had had a mental illness is not necessarily permanently damaged. If the emotional situation which precipitated the breakdown is removed, or if with the help received through treatment the individual has learned to handle it more successfully, he need not break down again.

The fact that often handicapped people try harder and more persistently to make good means that the employment of ex-patients may be of great benefit to the employer also.

The therapeutic nature of work is reiterated, such a fact pointing up the desirability of allowing time for "fitting into" the work situation during a period when complete, capable job performance may still be seen as a future — rather than present — hope.

It is to the social-minded, forward-thinking employer that the specialists in the field of mental illness look for that assistance which

can make complete rehabilitation a reality. By considering the individual in consultation with a psychiatric social worker or psychiatrist and providing an opportunity for suitable work, today's enlightened personnel man can provide the final stage in restoring to normal living the person who has been a victim of mental illness.

There is more than an even chance that at the same time he will be providing his firm with a promising employee.

PERSONALITIES

John R. McNulty has been named vice-president, industrial relations, of Canadian Husky Oil Ltd., Calgary. The position is a new one. Mr. McNulty was division director of personnel with the Ohio Oil Co. before joining Husky in 1949. He was instrumental in setting up Canadian Husky's industrial relations department . . . **Mrs. Elizabeth Quinn** of the Toronto Personnel Association has opened an office of Personnelle Placement Service at 143 James St. South, Hamilton. Mrs. Quinn had been Women's Personnel Supervisor with A. V. Roe Canada Ltd., and had previous personnel experience with Imperial Oil and Canadian Industries Limited . . . **George Noble**, director of personnel for Metropolitan Toronto told the Ontario Municipal Association in Ottawa that "chaotic labor relations exist in municipal government which would cost taxpayers millions of dollars." He said that most municipalities are ill-trained to enter labor negotiations and this has resulted in the giving away of management rights through insufficient knowledge of labor laws . . . **Sir**

Harold Hartley, who chaired the conference council of the Duke of Edinburgh Study Conference on the Human Problem of Industrial Communities in the Commonwealth and Empire, is a member of the panel discussion group at the McGill Industrial Relations Centre annual conference held in Montreal September 12 and 13. We understand he is also holding conversations with a number of Canadians who attended the Duke's Conference. We hear the only thing holding Canada back from staging a second Duke's Conference is the lack of a financial backer . . . **George A. DuCasse II**, executive vice-president, Spry & Trundle Ltd., has turned down a high executive post with the parent company Trundle Incorporated, Cleveland, Ohio, to stay in Canada. **C. W. Walker** has been named personnel manager of H. K. Porter Company (Canada) Limited's three divisions: Disston, Federal Wire and Cable, and Refractories. **Ernie Reeve** of Truscon Steel has moved from the Windsor operation to Montreal.

Arbitrators' Batting Average—Is It Important?

by N. J. Pentecost, B.B.A., M.S.

In January of 1955, James J. Healey of Harvard University gave a talk before the National Academy of Arbitrators¹. He described a research project being done at Harvard, designed to determine the importance of ability.

One facet of this project involved fifty-eight arbitration awards in which management's decision to promote a junior employee over a senior employee on the basis of superior ability had been set aside by the arbitrator. In every case, against their original judgment, management had to promote the

senior men even though they felt that the junior men involved had more ability. Inquiries were sent to the fifty-eight firms involved, asking whether or not the men had proved able in their new positions. Forty-six responses were received and in twenty-nine of them, the senior employee was said to have proved able on the new job either immediately or within a very short period. In twenty-two of these twenty-nine cases there was the statement that management doubted whether the originally favored junior employee could have performed any better. In only ten of the forty-six cases did management feel the arbitrator had made an error in judgment.²

ABOUT THE AUTHOR

Norman J. Pentecost is personnel manager for Oshawa Wholesale Limited, Toronto.

He was born in New York City and completed all his education there. He has a Bachelor of Business Administration degree from the City College of New York in personnel administration and production management, and a Master of Science degree from Columbia University in economics and industrial relations. The latter degree he took in June, 1957.

He was working for a personnel consultant on a part time basis while attending City College and Columbia. After two years in the army in Korea, he was again working as a personnel consultant when he had his opportunity to come to Canada with Oshawa Wholesale Limited, an IGA affiliate.

This was indicative, we felt, of one of three things, or perhaps even some combination of them, depending on the case. Either management is not capable of accurately judging ability, (which we do not believe), or they are incorrectly matching respective abilities to the particular jobs involved, or they do not present their supporting evidence properly at an arbitration hearing. For example, some of the men they picked originally may have been more able in terms of potential advancement to still higher rated jobs, but not necessarily more able on the particular job involved.

As a facet of a larger study we conducted on seniority and ability, we attempted a sort of parallel study to Professor Healey's, although on a small scale. Our reason for attempting a smaller scale parallel

study to Healey's was to act as a check. One could easily get the impression from reading his report that arbitrators have an unusual insight into the solution of these problems regarding ability and promotions. If such an impression could be gained by management we thought it important to see if the impression was a generalization that might be true. If it was, the management might reasonably conclude that the answers to their "mistakes" in this area of ability and seniority could be found in arbitration awards. In light of our own earlier examinations of arbitration awards his findings surprised us; thus our minor effort to check on his findings. Since in his talk he did not cite the particular arbitration cases involved, there exists the possibility that in some instances we may have utilized the same cases. However, the likelihood is slight since he utilized cases no less than three years old and most of our cases are of comparatively recent origin.

We feel that a mere presentation of numerical results does not present us with anything truly worthwhile. It is only when we examine the cases and decisions in their proper context that they take on any real meaning.

We might add here the fact that aside from writing to fifteen companies whose decision to promote a junior man had been set aside, we also wrote to twelve companies who had been upheld by the arbitrator in their decision to promote a junior man on the basis of superior ability. Our thought in so doing was to find out if in any of those twelve cases, management had been disappointed in their choice and if so, in what way had their decision been wrong. Much as we suspected, they were

happy with the progress and work of all those people.

Findings Differ From Healey's

We wrote to fifteen companies whose decision to promote a junior man had been reversed and received seven replies. It is to some of these that we shall briefly turn our attention. These prove most interesting because they do not agree with the findings of Professor Healey. In six of the seven replies we received, management was emphatic in their feelings that the arbitrator had been wrong. The size of our sample (viz a viz Healey's) precludes our making any definite statements; however, the results certainly allow us to doubt the validity of examining arbitration decisions alone as a guide for action. Let us look at a few of the cases and the replies we received in an attempt to see both the background behind the decision and the reasoning of management in the case.

In the one instance where management was satisfied with the work performed by the senior man they had been forced to promote, they said:

"Our objection at the time of the arbitration was not so much the fact that A could not learn to do the job in a satisfactory manner, but at that particular time, B had more ability. We had to devote more supervision and instruction to A than we would have had to for B."

An examination of the case shows that the junior man had some experience in this truck driving job as a helper. Also since the job involved some lifting and the junior man was six feet and two hundred pounds while the senior man was five feet eleven inches and one hundred fifty pounds, the company concluded that the junior man was more able than the senior. The contract

clause reads: "in making promotions to higher paid jobs or better jobs of equal pay, . . . when ability to perform the work and physical fitness to perform the work are relatively equal, seniority shall be the determining factor."

The arbitrator had no doubt that the junior man was immediately better qualified for the job because of his experience with the truck route area, the nature of the problems of the job, etc. But he thought that experience is not the sole criterion to be considered in judging ability. Since the senior man had a driver's license, the company should have considered the senior man as having the ability to "break in" on the job.

Why Management Lost

It is clear in this case that management lost the decision by not having made its policy clear in the contract or in policy as to whether present or potential abilities would be the determinant. Management has a tough enough job to do in evaluating relative abilities without complicating this with the additional factor of present versus potential ability. Had this been clear, it is likely that no conflict would have arisen.

In a similar case, where the company had promoted a junior man with some experience on the particular job involved, the arbitrator had held that the senior man who claimed that he could learn the job in one week, be given that opportunity. After winning the case, the grievant demanded a ninety day trial which the company refused. In his one week trial he failed completely to learn the job and was demoted.

In a case where management claimed that initiative had not been shown by a senior employee, the arbitrator held that this was not objective enough. Initiative in this

case was determined by the foreman as represented by a lack of questioning about the next higher job by the senior man. The company, if their reply to our question is a measure, was right in their decision, but not careful enough in the presentation of their evidence. In answer to our query about the satisfactoriness of the grievant's performance, it was said:

"He did not perform satisfactorily. He was close to retirement at the time he was awarded this promotion by the arbitrator. He did not perform in an efficient and satisfactory manner on the higher job and the employees who testified on his behalf at the hearing admitted later on that they were having to 'carry him'."

In another case the senior man was said to not have the "Leadership qualities, initiative, ability to assign and direct the work of others or the ability to speak fluently and to express his views convincingly in conferences with supervisory personnel." But the only evidence introduced to support these charges was the "feeling" of the man's supervisors that this was so. The arbitrator obviously concluded that the lack of these qualities was not demonstrated and so the senior man was given the job. In reply to our question about his work performance on the new job, the company said,

"The person in question, is a faithful, loyal employee and is satisfactory insofar as clerical effort is concerned. However, his ability to direct and organize meetings for layout and discussion of new product packages has been unsatisfactory. Further, his initiative in planning the importance of product as to time and estimated completion of work is very unsatisfactory. This person has had the support of Mr. A

since they reversed positions following the arbitration award. In that way the department has gone along without any real trouble. However, that would not be true were it not for the attitude and fine co-operation of Mr. A. He did, and would still better perform the duties required."

Summary

What have we seen in the few cases we have examined? The brief look we have taken points up a few of the major reasons for cases going to arbitration on "ability" and management's losing them. First it is seldom clear in the negotiated contract language what the make-up of "ability" is or whether it means present ability or potential ability. Second, management while often right in their decision, especially where intangible portions of ability are concerned (e.g. initiative, ability to organize work etc.), do not take the trouble to systematically demonstrate this lack of "necessary" qualities to an arbitrator. This is probably because of their difficulty of measurement. Third, management may incorrectly compare job needs and abilities, thus arriving at a misjudgment of the abilities needed for a particular job, resulting in a dispute and arbitration.

We believe it is clear that the arbitrators' batting average is meaningless. It is management's batting average that is important. Can we improve it? Definitely!

Obviously we have no panacea for these problems. We do recommend that management define what they mean by "ability". Different major factors will be important for unskilled than for skilled jobs; spell them out and explain clearly how you plan to measure these factors. Distinguish between present and potential abilities, where each will apply and how you plan to determine this.³ Lastly should you still find yourself approaching an arbi-

tration, plan the presentation of your evidence carefully. Do not put the arbitrator in the position of having to determine ability. He does not want to be in that position; most probably because he is not capable of it. He wants to act only on the evidence placed in front of him.

We firmly believe that more serious thought to this matter of ability vs. seniority would result in a far lesser number of arbitration cases. There are important lessons here for management.

We plan to discuss more fully in a future article the determination of ability as expressed in both policy and practice.

1 J. J. Healey, "The Factor of Ability in Labor Relations"—*Arbitration Today*—N.A.A. pp.49-50.

2 Ibid, pp. 49-50.

3 These items can be agreed upon and attached as a supplement to your collective agreement.

SEVENTEENTH P. A. T. CONFERENCE APRIL 16-17

The 17th annual P.A.T. Conference will be held April 16 and 17, 1959, at the Royal York Hotel, Toronto. General chairman is D. Alan Page, Goodyear Tire and Rubber Co.

Director in Charge is W. R. Clark, Robt. Simpson Co. Ltd., and F. K. Richan, Phillips Electronics Industries, is conference consultant. Chairman, Operations, is Charles A. Burton, Reliance Engravers, whose vice-chairmen include—hotel arrangements, F. W. Murray, Motor Transport Industrial Relations Bureau; registration, O. A. Petersen; commercial exhibits, W. R. Benn, Union Tank Car Co.; chairman, public relations, W. J. Milks, Canadian National Railways; chairman, program, is R. Lisson, Ford of Canada, whose vice-chairmen are W. W. Towill, Honeywell Controls; head table, Miss A. M. Johnson, Workmen's Compensation; entertainment, Clarke Moon, Goodyear Tire and Rubber.

"Labour Relations in The Civic Service"

by George W. Noble*

The labour relations function has become, of recent years, an accepted part of the administration of the majority of large civic governments. The growth of trade-unionism among municipal employees and the introduction of full-scale collective bargaining between municipal corporations and their employees raises questions of major importance, particularly for those officials concerned with personnel, wage and contract administration.

In government, as in industry, the establishment of Personnel Departments and the appointment of labour relations officials has only occurred after the need for such staff became apparent to top management. The result of this policy is that while civic officials have extensive experience in public administration generally, the majority of them have little or no experience in the fields of collective bargaining and labour relations. Even today, in many firms and government bodies, it is still thought that labour relations matters can be dealt with as a side line by minor officials. That this is a serious misconception becomes very evident when you realize that from 30 to 65 per cent of the budgets in most companies and governmental agencies is composed of salaries and wages.

Civic authorities cannot afford to have contract negotiations conduct-

ed on their behalf, by persons less skilled in labour relations and collective bargaining, than those persons representing the employees. Where once the Councils, or a committee of Council, met with the employees themselves, discussed their requests and then told them what they would give them in the way of wage increases, such is not now the case by any means. The requests of the employee unions today are frequently prepared and presented to municipal officials, either by lawyers engaged in the practice of labour law, or by paid union officials, widely experienced in the negotiation of collective agreements. Their requests are well supported by statistics on wages and working conditions covering, not only comparable municipalities across Canada, but also the wages and working conditions in industry in the locality. The municipal official representing the Corporation, or acting as the chief advisor to the Committee doing the negotiating, frequently does not possess, nor can he readily obtain, current information on comparable wages and working conditions in the various municipalities cited by the union. Without this information he is unable to refute claims or propose acceptable alternatives to their proposals. The result of such a condition is that basic labour policy decisions are made without full knowledge of the alternatives or of the probable consequences. Once a policy decision is made and incorporated in a collective agreement it

*George W. Noble is Personnel Officer, the Municipality of Metropolitan Toronto. This talk was presented at the Sixtieth Annual Convention of The Ontario Municipal Association at Ottawa, Ontario, September 1, 1958.

becomes, as so many of us know from past experience, extremely difficult to undo or to remove from the agreement.

The chaotic conditions in the practice of labour relations in the municipal field is reflected in some of the municipal contracts I have recently received, all of which cover the bargaining year 1958. I recite below a few of the items contained in current municipal collective agreements:

(A) "Employees retained past the probationary period (90 days) shall be placed on the permanent staff."

(B) "Temporary employees may be hired up to a period of six months for relief work."

(C) "Members of the Force shall have a choice of work strictly on a basis of seniority."

(D) "Any working conditions or benefits, or other conditions of employment at present in force and recognized by both parties which are not specifically mentioned in this agreement and are not contrary to its intention, shall continue in full force and effect for the duration of this contract."

(E) "An employee who works in a higher classification for a period of two months or more in any contract year shall be entitled to the rate of pay applicable to the higher category for a period of at least nine months of his work during the said contract year."

None of the foregoing clauses, and many more similar ones, have any place in municipal agreements. In the majority of cases they give away rights which must be retained strictly as management rights. Let us look at some of these clauses:

(A) By the inclusion of a clause such as this, the Corporation has lost its right to determine how many

permanent employees are required to carry on the business of the municipal corporation. The right to determine how many permanent civic employees are required is not a matter of negotiation with any union, but is one to be determined exclusively by the management.

(B) The right to hire temporary, casual or permanent service employees, without consultation with, or subject to the approval of any union, is also a matter to be decided by the civic administration. The municipal corporation must take a strong stand on matters such as this and insist that it is not a proper matter for union negotiations and has no place in a collective agreement.

(C) To give members of a civic department the right to choose the jobs they will do, without any reference to qualification or ability to do the job, strictly on the basis of seniority is, in my opinion, a complete surrender of the management function.

(D) The inclusion of a catch-all clause such as this, in any collective agreement serves no useful purpose, since it is obvious from the wording of the clause that neither the union nor municipal representatives who negotiated the collective agreement have any idea of what is implied, otherwise the benefits referred to would have been defined in the agreement.

(E) The effects of such a clause as this in any collective agreement is obvious. To pay an employee a wage rate for seven months, simply because he worked two months at that rate is absolutely asinine and can only compound wage problems for the person charged with administering the wage and classification plan.

The presence of clauses such as

the foregoing, in municipal collective agreements are, in my opinion, graphic illustrations of instances where basic policy decisions have been made without full knowledge of the probable consequences. They will prove harmful in the corporations which have included them in their collective agreements and undoubtedly will lead to similar requests to other municipalities for inclusion of a like clause, simply because they exist in other municipal agreements. The fact that Conciliation Boards have granted Union requests for the inclusion of certain clauses in the agreements, simply because the Union have been able to demonstrate that other municipalities have such clauses in their agreements, is the particularly objectionable feature of ever allowing such clauses to appear in any municipal contract.

The employees of the Federal and Provincial Governments are about the only large group of government employees in Ontario who are not permitted to organize and join unions. Only in the Province of Saskatchewan are all levels of government employees permitted to organize and bargain collectively, under the provisions of the provincial labour legislation.

The Ontario Labour Relations Act provides that every person is free to join a trade union or an employers' organization of his own choice and to participate in its lawful activities. Once a union has been certified as bargaining agent for a specific group of civic employees, the municipal council is required, by law, to enter into a collective agreement with the union. The Act does, however, specifically exclude from its provisions, such persons as domestics, persons employed in agriculture, horticulture, hunting or trapping, full-time firefighters and members of the police

forces. It further exempts professional persons employed in their professional capacities such as architects, dentists, engineers, lawyers, doctors, and also persons employed in a confidential capacity in matters relating to labour relations or exercising managerial functions.

The moment a union is certified as bargaining agent for a group of civic employees, the Council immediately finds that wage rates, salary schedules and working conditions of employees become matters for negotiation with the union, rather than being determined by the employer, as was the case prior to certification of the Union. At this point it becomes imperative, if a properly drawn wage plan did not previously exist, to ensure that salaries and wage rates are established on a sound basis so that they may be defended as being fair and just, both to the employee and the taxpayer, before Conciliation and Arbitration Boards.

Labour relations in the civic service have much in common with those in industry. In both cases conflicts of interests concern fundamental issues such as salaries and wages, hours of work, pensions, shift bonus, vacations and many others. While there is much in common, there are certain characteristics in governmental service that are unique, such as the nature of services rendered, responsibility to the public, security of employment, the political nature of the employer, etc., all of which have a very definite bearing on the manner in which agreement is reached.

A brief comparison of the position of an industrial firm and a municipality during bargaining reveals significant differences. Collective bargaining in industry usually operates within a much more flexible economic framework than is possible in a municipal operation.

Most private employers, if under pressure to raise wages or change hours of work, can avoid at least a part of the cost of any increase by passing the major portion of the increase on to the consumer of their product. An industrial firm negotiating with unions, is in a relatively strong bargaining position when compared with a municipal corporation. The firm estimates the cost of granting the union's requests and the possibility of changes in price of its product and in-plant management policies to offset the additional costs. It assesses the union's intentions, its willingness to modify its requests, the strength of the union and its resources in case of a strike. It always has a much stronger position than a municipal corporation due to the fact that an industrial firm can, after weighing all the factors involved, simply decide that they will take a strike rather than grant the union's requests. The union, in turn, makes a comparable set of calculations during bargaining. In an atmosphere such as this, real bargaining takes place and generally a mutually agreeable compromise is the result of such negotiations.

A municipality, by comparison with an industrial firm, lacks many of the features which provide the firm with a strong bargaining position. The major source of revenue for any municipality is taxes, to which must be added the revenue accruing from government grants, licenses, tax sales of property and in some cases, revenues derived from the operation of municipally owned utilities. A municipality cannot as readily increase its revenues from these sources as can a private firm increase its revenues. The amount of government grants is clearly beyond the control of the municipality. Taxes, while they can be increased, are very different from

increases in the price of a product and are subject to a different set of pressures. Further, the municipality has less adjustment in the services which it provides than most industrial firms. It cannot curtail or discontinue fire or police protection, because fire and police employees demand exorbitant pay increases. It cannot cut off water and sewage services, or Hospital and Homes for the Aged services, all of which must be maintained on a 24 hours per day, seven days a week basis. Nor is the position of the municipality comparable with that of an industrial firm in relation to a strike threat from employees working in essential services.

The civic union also finds itself in a different position than that of an industrial union. Municipal employees themselves, generally have an appreciation of the responsibilities of their employment and are loath to go on strike, although, since their unionization on a national scale, threats of strikes during negotiations with municipalities have become more common than ever before. The civic union in some instances, seeks to obtain by political pressures, that which it could not or did not obtain through the collective bargaining process. The union is also very much aware that the reaction of the citizens to a strike in essential services would not help their cause, and the resultant adverse publicity would weaken their bargaining position. In such a case the importance of being able to go on strike loses much of its significance.

Two Major Groups Excluded

There are, as mentioned earlier, two major groups of civic employees who are excluded from The Ontario Labour Relations Act and they are firefighters and policemen. Under The Police Act, where 50 per

cent of the full-time members of the police force indicate that they wish to be represented by an Association, the Association becomes the official Bargaining Agent. The important variation from The Ontario Labour Relations Act, as related to The Police Act, is that under The Police Act, a member of a police force is forbidden to become or remain a member of any trade union or any organization that is affiliated directly or indirectly with a trade union. The Act also provides for compulsory arbitration of disputes between a Police Commission and members of the Force which is binding upon both parties. It further provides that a council, in dealing with its annual estimates, shall make adequate provision for implementing any award which may be made by an Arbitration Board for the current year.

On the basis of the foregoing, there would appear to be a difference between trade unions and police associations, but in actual practice there is no difference. Police associations are organized in every major city in Canada and their aims and objectives appear to be precisely those of the trade unions.

The Fire Department Act regulates the hours of work for full-time firefighters and provides procedures for negotiation of collective agreements, with the same proviso for compulsory arbitration binding on both parties as is found in The Police Act. Contrary to The Police Act, firefighters are not prohibited from being members of a trade union and, as a matter of fact, firefighters were members of a national firefighters organization long before the majority of municipal unions joined such organizations.

So far I have confined myself to conditions existing where the municipality has recognized the union and has entered into a collective

agreement with the union. Let us look at the position of municipalities which have, under Section 78 of The Ontario Labour Relations Act, declared the Act as not being applicable to its employees.

In removing their employees from the jurisdiction of the Act, the municipality has left itself open to a strike by the Union to force recognition, or for any other reason they choose, and have deprived themselves of conciliation services. The municipality can, however, refuse to negotiate with representatives of organized employees and can refuse to recognize them as representing their employees. In actual practice however, many municipalities which have exempted their employees from The Ontario Labour Relations Act, recognize their employee associations or unions and negotiate rates and working conditions with them. The City of Toronto, for example, negotiated with its union from 1951 to 1956, despite the fact that they were exempted from the Act during this period.

Procedure in Toronto

Briefly this is the procedure which is followed in dealing with unions representing Metropolitan Corporation employees:

The Unions and the Corporation notify each other, prior to January 15th of the amendments which they wish included in the collective agreement. On receipt, by the Metropolitan Clerk of the amendments requested by the Union, they are placed before Council. Council then refers them to the Executive Committee with the appropriate authority to negotiate the amendments, or to have them negotiated for them, and report back to Council. The Executive Committee refers them to a Negotiating Committee composed of a member of the Legal Department and myself,

with instructions to conduct negotiations in behalf of the Executive Committee.

As soon as the requests are received by the Negotiating Committee, the union representatives are called in to clarify their requests, so that both parties are fully aware of what is being asked and the effects of the requested amendments.

The Negotiating Committee then examines the surveys on wages and working conditions, which have been compiled by the Personnel Department, and determines what, if any, increase is warranted on the basis of increases in cost of living, the average increase in salaries and wages in the area, the wages and salaries being paid in adjacent municipalities and by utilities, and the average wage gains obtained in industry.

Following this, they report back to the Executive Committee and obtain instructions as to how far they may go in an attempt to get a settlement. In the event that there is a wide disparity between the position of the Corporation and that of the Union, as has been all too common this year, the Negotiating Committee reports back to the Executive Committee that no settlement is possible and that the Unions intend to seek conciliation services.

The initial step in the conciliation services is for a conciliation officer to hold meetings with the parties concerned and if, at the end of fourteen days, he is satisfied that he cannot effect a settlement, he so reports to the Minister of Labour. The Minister of Labour then requests each party, within five days of receipt of such request, to recommend one person to be a member of a Conciliation Board. Following the appointment of the two nominees by the Minister of Labour, they may, within three days, jointly re-

commend a third person to act as Chairman of the Board. In the event that the nominees of the trade union and the employer cannot agree on a Chairman, the Minister of Labour appoints a Chairman.

Once the Conciliation Board has been appointed it sets hearings at which the parties concerned are given every opportunity to present evidence and make such submissions as they desire. The prime function of a Conciliation Board is to effect a settlement between the parties on the matters referred to the Board. If the Board is unable to effect a settlement, the findings and recommendations of the Board are reported to the Minister of Labour and, where the report of the Board is not unanimous, the report of the majority of the members is considered to be the report of the Board. The Union may call a strike seven days after the report of the Board is in the hands of the Minister of Labour.

There is an obvious need for closer co-operation between municipalities in the labour relations field, particularly since the organization on a national basis of municipal employees. It is essential that uniform practices and procedures may be instituted throughout civic services if we are to maintain the rights granted management under The Ontario Labour Relations Act, which have not as yet been frittered away.

Where both employer and employees recognize a basic conflict of interest and are sincerely interested in obtaining a collective agreement which will neither do any grave injustice to the employees, nor extract from the municipality excessively high wages or working conditions not enjoyed by the taxpayers generally, collective bargaining, in my opinion, can function successfully between municipalities and municipal unions.

Supervision Top Job Satisfaction Factor

Survey Gauges Factors Contributing to Worker Dissatisfaction

Poor supervision is blamed for job dissatisfaction in a report by the Bureau of National Affairs Incorporated following a survey of 132 American companies.

Almost all the companies surveyed tried to gauge the level of job satisfaction and make use of varied techniques to make each employee's job more interesting and satisfying.

Poor supervision is the greatest deterrent to a high level of employee job satisfaction, they found. Other factors include job insecurity, lack of recognition, poor wages, lack of individual attention, inconsistent treatment of employees and poor communications.

Asked how they try to make jobs more interesting, the companies gave these responses:

Explain to each employee how his job fits into the whole company picture. (This was mentioned most frequently.)

Brief employees on the company's products and how they stack up against the competition.

Use scientific placement methods to slot employees according to their temperaments and expressed interests.

Rotate routine jobs for maximum work variety.

Encourage employee suggestions on better ways to do their work.

Relieve the monotony of repetitive jobs through the use of rest periods and music.

Offer employees plenty of opportunity for promotion. Post job vacancies and give preference to promotions from within. Encourage employees to acquire new skills.

Make sure that new or transferred employees are well oriented.

Train supervisors and foremen on human relations and effective methods of dealing with employees.

Sponsor contests among different departments and sections.

Enlarge each job as much as possible. Let an employee work on an entire project rather than on just a small repetitive part of it. Give him as much decision-making power as is feasible.

Put on plant tours and "open house" events for employees' families.

Provide employees with a steady flow of information regarding new developments, business conditions, and other subjects of interest to them. Use all channels: house organs, meetings, letters to employees' homes, and the like.

LABOUR RELATIONS IN PERSONNEL STUDY COURSE

Labour Relations in Personnel, a 10-lecture evening course at Waterloo College, Waterloo, Ont., was scheduled to start October 7, ending December 9. Sponsored by the Grand Valley Personnel Association, it will be conducted by N. J. Long, Director of Industrial and Public Relations, Dominion Electrohome Industries Ltd., Kitchener, assisted by Norman MacKenzie, Personnel Director, City of Kitchener, and a number of guest experts. Applications for the \$30 course should be made to Community Education Program, Waterloo College.

McGill Industrial Relations Centre

Celebrates its 10th Anniversary

In 1945 McGill University decided as a matter of policy to introduce into the School of Commerce a programme of industrial relations studies and research. The first step was taken with the appointment of a full-time staff member, Professor H. D. Woods, charged with the responsibility of developing graduate and undergraduate training and of organizing a programme which would bring members of the university staff and the community together. The latter programme materialized in 1948 when the Industrial Relations Centre was established. At that time an institute was set up under the authority of the Board of Governors under the title of the McGill Industrial Relations Centre. This year the Centre is celebrating its tenth anniversary.

Over the ten years of its operation the Centre has conducted evening study groups or seminars, one or two day conferences, special meetings with experts from other universities, from government services and with well-known students of the problems involved in personnel and industrial relations. It has also encouraged research and has engaged in considerable publication.

Seminars

The evening seminars have been, perhaps, the most important part of the work of the Centre. In the first year six groups were established and carried on successfully. Last year there were fifteen such groups. Each of these had registration rang-

ing from ten members to forty although the typical size would be closer to eighteen. Each group meets usually for six weekly evening sessions for a period of two to two and a half hours.

Formal lecturing is discouraged but a wide range of techniques of communication have been used; these include prepared short papers, case discussion, role playing and general discussion. A primary purpose has been to encourage participation of all members of the group.

Registration for the seminars has been principally from those firms which are members of the Centre but increasingly other persons, particularly trade union groups, have been invited.

An important policy of the Centre is to establish groups to deal with new facets of the problem and to drop an area of investigation when the interest tends to lag.

Each group is chaired by either a member of the university staff or someone from the community with expert knowledge of the problems under investigation. On the university side the Centre has been able to enlist the interest of all the Social Science Departments and some of the non Social Science Departments. Groups have been chaired by staff members from such widely diverse areas as Psychology, Sociology, Economics, Political Science, Law and Engineering. About forty members of the staff, past and present, have been in-

volved. In this way two-way communication is established between the research man in the university and the practitioners in the community.

The result is that the university man is able to test his ideas and findings against the critical appraisal and judgment of those who are meeting the problems regularly in industry. In turn the managers of industry and trade union officials have been assisted in developing perspective and in viewing their everyday problems somewhat more objectively as students. The Centre is planning its 1958/59 seminars at present. The subject matter chosen for seminar discussion has covered a wide range and over the ten years period of its existence has included upwards of sixty topics. The breadth of the selection may be illustrated by the following titles:—Communication, Human Relations, Problem of Tension, Formal Media of Communication, the Nature of Grievances and the Formal Handling of Grievances, Techniques of Bargaining, The Role of Third-Party Intervention in Industrial Conflict, the Role of Arbitration and the Function of the Arbitrator, Job Evaluation, Labour Law and many others.

Over the 10 years approximately 2000 people have participated in these small discussion groups.

Conferences

The first annual conference was held in April 1949. It was limited to persons from the member firms only. Subsequently the annual conference was open to the public and was in each case organized around a particular theme. The interest from year to year fluctuated between problems of administration, with particular emphasis on human relations and problems of collective bargaining.

Conference titles have included:—The nature of industrial conflict and its settlement, the problem of security in an industrial society, the question of technological change and others.

Increasingly the annual conference has taken on national scope, delegates coming from business firms, trade unions, consulting organizations, other universities and from Government Departments, Provincial and Federal and have ranged from British Columbia to Newfoundland. The addresses and discussions at these conferences are published each year.

To celebrate its tenth year the Centre this year organized its September two-day conference on a retrospect/prospect basis. It examined the development in labour relations in Canada during the last ten years and sought to project into the future.

The speakers at the conference have been drawn from Harvard, Yale, M.I.T., Princeton, Cornell, Michigan, Illinois, Toronto and McGill Universities. They were also drawn from industry, labour and government. Some have been from the U.K. and this year one of the speakers was from Great Britain, Sir Harold Hartley, and one, Mr. Robert Cox, from the International Labour Office in Geneva. This year the annual conference was held in the Physical Sciences Building at McGill on September 11th and 12th.

The second type of conference, which is confined to one day only, was established three years ago on an annual basis. In this conference the Centre has the collaboration of the Montreal Board of Trade, the University of Montreal and the two central Union organizations in the Province of Quebec—the Quebec Federation of Labour and the Cana-

dian and Catholic Federation of Labour. The City of Montreal has co-operated by granting the use of the Chalet on Mount Royal for these one-day sessions.

Practical problems in union and management relations have been chosen for discussion in these conferences. The first of the three dealt with Arbitration of Disputes, the second with Conciliation Boards and the third with the Handling of Grievances. A total of eight hundred persons from Quebec and Ontario have attended these jointly sponsored conferences.

Special Meetings

From time to time the Centre has been able to bring before Montreal audiences visiting speakers from other cities. Notable in this respect was the visit of Sir Harold Tyndal, presiding judge of the New Zealand Court of Arbitration and Colonel Irwick Orr of Irwick Orr and Partners of Great Britain.

Research and Publication

The Centre has given encouragement and financial assistance in research on industrial relations problems. It has assisted in the publication of volumes on Municipal Labour Relations in Canada and on Job Evaluation. It is shortly releasing a small volume on Conciliation in the Province of New Brunswick by Professor Cunningham of Mount Allison University. Early in October it will release a volume on Industrial Disputes in Five Canadian Industries.

For a number of years the Centre has been enlarging its collection of publications in the Industrial Relations Library of the School of Commerce and last year began a collection of trade union agreements voluntarily submitted by approximately 1000 companies in Canada. All of this material is

made available for reference purposes to interested persons in the Montreal area.

The objective of the Centre is increased understanding of the human problems of industrial society, and the dissemination of knowledge gained as a result of research at McGill and other universities and institutes. To these ends it is organized on a co-operative basis with the community to the mutual benefit of those who associate with it. The results of ten years of activity cannot be measured in any precise degree. Yet the evidence of achievement is reflected in the high level of interest in all its activities, an interest which has increased from year to year.

Book Reviews

PRODUCTIVITY AND WAGES

"Productivity and Wages" by James C. Cameron, Professor of Industrial Relations, Queen's University, and F. J. L. Young, Lecturer in Industrial Relations, Queen's University, Bulletin No. 16 published by Department of Industrial Relations, Queen's University, Kingston, Ontario. Reviewed by A. M. Hill, Urwick, Currie Limited, Toronto.

This bulletin's purpose is to assist in clarifying many of the issues involved in discussions of productivity, particularly in relation to wages. In thirty-three pages, its authors have achieved their aim remarkably well.

They open with a clear and concise discussion of the meaning of productivity. This leads into a section on the variations in productivity and their causes. Here the authors deal with the difficulties to be encountered in trying to use pro-

ductivity data in consideration of wages at the industry or plant level. They also suggest what some management people have thought for a long time "that the responsibility for improving productivity may be essentially a management responsibility."

Productivity in Canada is examined statistically in the third section of the book. Briefly the statistical presentation shows that, although a generally upward trend in national productivity was observed during the period studied, marked annual fluctuations above and below the average rate of increase took place. Surely this raises some doubt about the soundness of numerous collective bargaining agreements which provide for so-called annual productivity improvement wage increases because in these clauses there is an assumption that constant annual increases in productivity always take place.

Section IV outlines the problem of distributing the benefits of higher productivity.

Real earnings in Canadian manufacturing industry are examined next and the conclusion is reached that employees in manufacturing had advances in real earnings in the years 1946 to 1956 which definitely outstripped improvements in productivity and that these gains must have been made at the cost of the other factors of production in the industries concerned, or they were made at the expense of other sections of the economy.

In the final section the practical difficulties of relating wages to productivity are summarized. The authors suggest that in the light of factors which are involved in wage settlements, wages must eventually be related to productivity in wage determination. A reliable index of productivity, which could be used

in conjunction with the Consumer Price Index, is required, the bulletin states. It would serve as an important bench mark designating the area in which wage determination should take place.

Two interesting reprints of articles appear in the appendices—one is by Sir Charles Geddes, past president of the Trades Union Congress of Great Britain, the other by Harold J. Ruttenberg. Both articles add emphasis to the view expressed by Professor Cameron and Mr. Young.

It has been said that defining a problem is the most important step in achieving a solution. The publication certainly defines the problem of relating wages to productivity. In addition, the authors offer some timely and pertinent suggestions which could lead the way to a solution.

H. A. KING, PRESIDENT, ONT. TRAINING DIRECTORS

The 1958-59 executive of the Ontario Society of Training Directors is as follows:

President—H. A. King, Simpson Sears; Past President—Miss G. Woods, T. Eaton Company; Vice-President—J. A. Wainwright, MacLean Hunter Publishing Company; Social Secretary—Miss A. McDonald, Simpson Sears Limited.

Treasurer—G. N. Johnston, Anacanda, American Brass Limited; Recording Secretary—K. Purvis, Confederation Life; Programme Chairman—G. R. Todd, Toronto Dominion Bank, King & Yonge Streets; Membership Chairman—P. W. Kaye, Hydro Electric Power Commission; Membership Information Chairman—J. M. Eaton, Canadian National Telegraph.

Public Relations Chairman—D. E. Knapp, The Manufacturers Life Ins. Co.

Salk Vaccine—Industrial Inoculation

by J. E. Horn*

For many months, the possibility of making Salk Vaccine available to our people was considered. There was fear of reaction and fear that an employee may coincidentally contract poliomyelitis immediately after receiving the vaccine. For these reasons, action was withheld.

Then, the necessity of such a programme was forcibly brought to light. A close friend of Mr. Gage Love, the President of this Company, was suddenly stricken with polio. He was forty-two years of age and left a wife and five young children.

Immediately, it was decided to make Salk Vaccine available to all employees on a voluntary basis. A general memorandum was issued to all employees over the signature of the President urging everyone, regardless of age, to take advantage of this injection. Accompanying this memorandum was a small 3" x 5" record card which was to be completed by each employee and returned to the Medical Center.

The card was signed showing the name, department, address and age of those wishing inoculations and three lines below to be completed by the Nurse showing the date of each injection.

Within a few days, over 350 of the existing staff of 470 had returned the cards indicating their acceptance of the series of three inocula-

tions. Some of the remainder had already had their injections by their own physicians.

The Company Nurse, Mrs. Jean Anning immediately ordered 400 cc of Salk Vaccine from Central Laboratories, The Ontario Department of Health, 360 Christie Street, Toronto. Within 48 hours the vaccine was on hand and in the refrigerator to wait for June 5th, the day of our first injection.

The work areas, including warehouses and offices were divided into groups of 20 to 30 persons. Times for each group to report to the Medical Center were posted on all departmental notice boards. Times were spaced approximately 10 minutes apart. This worked fairly well with the total of 362 inoculations being given in 5½ hours. However, there was some production loss in closing down operating sections of the factory.

The second inoculation was scheduled for June 26th, three weeks after the first, to provide immunization for the normally higher peak of polio case frequency as well as employee vacation periods. With the full co-operation of factory and office supervisors in arranging short term replacements to keep equipment in operation and the use of a runner between the Medical Center and the various departments, 350 persons received their vaccine within 2½ hours with only a negligible loss in production

*Jack Horn is Personnel Manager, W. J. Gage Limited, Scarborough, Ontario.

and representing more than two inoculations per minute. This was only possible with the full teamwork of the Plant Nurse, Mrs. Anning and Dr. J. M. Brisby, the visiting Plant Physician.

There were no mishaps or severe reactions to the vaccine. One female who claimed reaction to penicillin was given the total of one cc. in four injections of .25 cc. over a three week period without any ill effects.

Preparation for the injections was important. A supply of six dozen hypodermic needles and one dozen syringes were on hand with a portable sterilizer in operation during the entire period.

The third and final inoculation will take place on January 29th using the same procedure as during the second. At the present time, it is not known how long the period of immunization lasts and consideration is being given to annual booster shots until this period is established.

This programme of Salk Vaccine has been a rewarding experience in its effect on employee relations and in the feeling that something of an extra nature is being done in the interest of the well-being of our people.

N.A.S.S. CHAPTER EXECUTIVE

The 1958-59 executive of the Golden Horseshoe Chapter, National Association of Suggestion Systems is as follows:

President, D. H. Brawley, Chief Assessor, The Workmen's Compensation Board, Toronto; Past President, A. Brown, Staff Asst. Management Development, The Steel Co. of Canada Ltd., Hamilton; Vice-

President, G. C. Bernier, Secretary Suggestion System, Dominion Foundries and Steel Ltd., Hamilton; Secretary, Miss L. Bailey, Suggestion Administrator, Planning Division, Prudential Insurance Co. of America, Toronto; Treasurer, D. C. Smith, Suggestion Plan Co-Ordinator, Lever Bros. Ltd., Toronto; Directors, J. Caldwell, Investigator Suggestion Plan, Canadian Westinghouse Co. Ltd., Hamilton; R. E. Dinner, Suggestion Plan Supervisor, Canadian Oil Companies Ltd., Toronto; W. Dowds, Suggestion Plan Co-Ordinator, Hydro Electric Power Commission of Ontario, Toronto.

JAMES H. PERRY, PRESIDENT, PERSONNEL ASSOCIATION OF TORONTO

James H. Perry was elected President of the Personnel Association of Toronto, Inc., at a meeting of the new Board of Directors. Mr. Perry is Industrial Relations Manager, Brewers' Warehousing Company Limited, Toronto, Ontario.

Members of the new executive are: Immediate Past President, J. V. Cuff, Central Ontario Industrial Relations Institute; Vice-Presidents, R. L. Hart, Canada Wire & Cable Company; H. Hill, Crown Packers Limited; Treasurer, T. M. Howard, Toronto Transit Commission; Directors, W. R. Clark, the Robert Simpson Company Limited; E. F. L. Henry, Canadian Manufacturers' Association; Miss A. N. Johnston, Workmen's Compensation Board; J. D. Neill, Campbell Soup Company Ltd.; E. C. Potter, Duplate Canada Limited; J. P. Nicol, Gair Company of Canada Limited; and F. K. Richan, Philips Electronic Industries Limited.

Services Available to Industrial Workers

The Envy of Many Canadians

Late in January, the Employee Relations Section of the Montreal Board of Trade held a panel discussion on "Employee Facilities and Services." It was chaired by Peter Stevens of Bristol Aero Engines Ltd., Montreal.

In his talk Dr. Donald C. Bews, medical director of the Bell Telephone Company of Canada, pointed out that "industrial health services are offering a type of service that is not freely and readily available to most people of Canada." The editor was thereupon prompted to pick out from Dr. Bews and some of the other panel speakers a few instances of the "out-of-this-world" services and facilities we are providing for our employees. No wonder there's nobody left on the farm.

Dr. C. E. Bews

"Periodic health examinations do not have the full support of all physicians. We do believe in them, and I think the results that I will mention to you will give support to our belief. Last year, around 4,000 of these examinations were carried out and our results show that 80 per cent of employees participating were found to have problems important enough for our medical staff to recommend that they do something about them — in other words, that they consult their own physician about the further management of

these disorders. We feel confident that the majority of these defects, found early, can be improved under adequate medical supervision and will result in better health and more enjoyment in living.

"Supervision of sickness absence is important. Sickness is a major cause of absence in industry and can and does interfere materially with the productivity of any business. I think the medical services of a company have an important role in assisting with the supervision of sickness absence.

"In 1956, for example, even though sickness in the Bell Telephone Company was at an all-time low, it nevertheless resulted in 251,000 employee days being lost during the year. Direct costs of this absence to the company were well over \$2,000,000. Of course this is by no means the total cost of absence because the employees themselves have many expenses related to the illness. Some of them are paid for only part of the time they are off and from the company's point of view in maintaining telephone service, many of these employees had to be replaced by other employees or on an overtime basis. The total cost, then, of sickness in our company is a very large figure.

"When major illness occurs in our company, that is, what we regard eight days or more, we require that

a medical certification of the absence be carried out and that the medical certificates from the attending physician be forwarded directly to our medical department. Hence all cases of major sickness or injury are made known to us immediately. Working closely with supervision, our benefit department, the attending physician, hospitals and other services within the community, medical services in industry can contribute to the full rehabilitation of the sick or injured employee.

"In our thinking, rehabilitation begins when the employee becomes ill or disabled, not when he is ready to come back to the job. Rehabilitation is not just sending a person back to duty with a note from the doctor recommending lighter duties, shorter hours or part-time work. Each case must be handled individually and the combined recommendations of the attending physician and the industrial physician, to be effective, must be judged on the basis of that person's illness, the progress he has made to date, the suitability of this particular illness for rehabilitation purposes, the ability of the company to observe the individual during this part of his restricted activities and finally the ultimate re-establishment of this particular employee either on his usual job or in a suitable alternative type of occupation. It is my opinion that industrial health services have shown that they are in a most favourable position to make a valuable contribution in the field of rehabilitation and, in so doing, are once more supplementing the overall health facilities of the community.

"Finally, I would like to say something about health education in industry. In the field of preventive medicine — and I look upon our role in industry as essentially in this area — there is no doubt, in my mind,

that health education offers one of the best opportunities we have of influencing the health pattern of our working population. It also gives me the opportunity of paying tribute to our nursing staff.

"Our company has an extensive health education program largely directed by the nurses. Basically, the health education program is as follows: new employees who can be reached by our nursing staff — and some 80 per cent of our total workforce of 42,000 now have access to nursing services — are invited to come in and see the nurse. At that time, she reviews the findings on their preplacement examination, gives advice about correction of any defects that have been noted, encourages the employee to take active steps towards arranging for medical or dental care or, in the absence of any specific health problems, discusses with the employee the importance of sound health rules, good nutrition, adjustments to the work situation, recreational outlets, and so on. Dependent upon the needs of the individual, as disclosed in this interview, she arranges for follow-up visits. This may be at a month's interval, six months, or a year. She makes sure that if any health problem arises before the next planned visit, that the employee knows that the medical department is available for help. This is a never-ending program. It goes on not only in our main medical department but in smaller communities throughout Ontario and Quebec where four district nurses are carrying out a similar program.

"While I have described only one aspect of the health education process, namely individual health education and counselling, it perhaps again points out once more that industrial health services are offering a type of service that is not freely

and readily available to most people in Canada."

Miss Clare Bourgeois

Miss Clare Bourgeois, director of personnel at Ayerst, McKenna & Harrison, dealt with the operation of the credit union and the company's contribution to it.

"I just want to say in passing that the company has a policy which permits an employee to borrow up to \$25 and to repay this amount through payroll deductions."

"Still under the same heading of financial assistance comes the question of garnishments and demands for income tax arrears. Such documents are brought to the attention of the personnel department and are handled on a purely personal and confidential basis. We talk the matter over with the employee concerned and, in the case of garnishments, usually arrangements will be made to pay the debt and have the money reimbursed on a payroll deduction basis. The personnel department handles correspondence in this connection. As far as demands for income tax arrears are concerned, we have found that the employee will generally pay the arrears immediately the matter is discussed with him, preferring not to have the demand go beyond the personnel department. On the other hand, some will prefer to have payroll deductions. Fortunately, we have not been plagued with too many of these demands and, as I remember, the amounts involved have not been too great. It is quite possible that employees will borrow from the credit union to pay their debts before a warning is served, thereby saving costs which mount so rapidly.

"In our company, we have policies which permit the payment to hourly-

rated employees of time lost due to snowstorms or breakdowns in the transportation service. This does not apply in isolated cases but only where several people are affected. When an employee is sent home by our nurse, he or she is paid for the balance of the day. We also pay the difference between an employee's salary and benefits under the Workmen's Compensation Act.

"Just a word on our sick and emergency-leave bonus to the hourly-rated employees amounting to five days' pay each year. According to this plan, such an employee may be absent for a full week during the year, either through illness or for any other reason, and still be paid. If no absence occurs during the year, an extra week's pay is given. If there has been an absence of one day, the balance of four days is paid, and so on. An absence beyond eight days, due to illness, becomes a group insurance claim.

"In the case of the death of an employee or a death in the family of an employee, flowers are sent on behalf of the directors of the company and a collection is made in the employee's department for a floral tribute or mass cards. Where the employee is well known, the collection will extend beyond the department. Our president writes a letter of condolence to the employee or the family. We always pay a visit of sympathy and attend the funeral. An absence of three paid days is allowed to hourly-rated employees for a death in the family. Salaried employees are automatically paid. The personnel department handles claims for the life insurance and we render whatever help we can to the family. After the claim is settled, the cheque in payment of the life insurance is delivered to the beneficiary personally.

"The personnel department witnesses legal documents, helps employees in the preparation of income tax returns and in the discussion of income tax problems. We also give considerable help on group insurance claims by contacting hospitals and physicians on behalf of employees. We also keep in our department, for the convenience of the staff, supplies of family allowance and income tax forms, passport applications, etc. A personal interest in the staff exists in our company. Our low turnover and the size of our workforce makes such a situation possible.

"You might be interested to know what our policies are relative to collections for weddings. They are limited to the department, unless the employee is well known. A cheque of \$25 from the company is presented at the same time as the wedding gift. Collections for employees leaving the company are limited to the department in which the employee works. In all cases, permission to collect must be obtained from the department head.

"It might also be of interest to mention here that we have other benefits which, while they might be interpreted more as fringe benefits, might, to some extent, fall within the scope of our discussion: a service bonus of \$25 on the tenth year of employment and every fifth year thereafter, a Christmas bonus and an educational program.

"Regarding our parking facilities, all the spaces are numbered and each one is equipped with an electrical outlet for heating cars. This feature is very useful and is readily appreciated by the staff as is the cheerful free service. A few months ago an air hose was installed close to the large parking lot. When parking spaces become available closer to an employee's working area, they are

allocated strictly on a seniority basis.

"The last item in the group of facilities with which I have to deal is transportation. We do not provide transportation of any kind. However, employees do occasionally complain about poor street car or bus service. Such complaints are discussed with the Montreal Transportation Commission and, at our request, inspectors are sent sometimes to our location to survey the situation."

Harold E. Revell

Mr. Harold E. Revell, manager of Food Services, Canadair Limited, operates three cafeterias, one executive dining room, two supervisory dining rooms, and four canteens. Canadair has 11,000 employees, of whom 156 are on Mr. Revell's staff. In 1957 his group served 1,027,000 full course meals.

Asked if catering facilities should operate at a profit, break even or operate at a loss, Mr. Revell said:

"It should not operate at a profit. This is a fringe benefit for the employees. I want Canadair to make profits on its airplanes, not on the food. I do not think any large industry expects the food services to make a profit. They try, if possible, to break even. To be truthful I have not broken even in seven years."

Questions and Answers

QUESTION: Are there any companies who have tried dental service and, if so, what is their experience?

DR. D. C. BEWS: Yes, it has been tried. There is a company in Montreal at present that has dental service and, I think, makes it available at half the expense to the employee for drillings, and that type of thing. I am doubtful, however, whether industrial health services

should enter into this treatment field. Unless they are forced into it by circumstances of the community, isolation, night staff, and that type of thing, I am not really in favour of seeing the development of dental services.

QUESTION: In allowing three days' pay for funerals, what must be the relationship of the employee to the deceased?

MISS C. BOURGEOIS: In our company's policy — the father, mother, husband, wife, children, or any other member of the family who lives with the employee. For instance, if the grandmother lived with the employee and dies, we would allow him three days.

MR. P. STEVENS: In-laws included?

MISS C. BOURGEOIS: Yes, provided they lived in the same home.

Circumventing The Problems of Job Evaluation

— Particularly in the Light of Union Reactions

by *Walter Benjamin Studak, B.A.*

Although various definitions of the term "job evaluation" are to be found, a great deal of similarity exists among them. Generally speaking, the definition laid down by the U.S. Employment Service is as complete and possibly as accurate as can be found.

"Job evaluation . . . the complete operation of determining the value of an individual job in the organization in relation to the other jobs in the organization. It begins with the job analysis to obtain job descriptions and includes relating the descriptions by some system designed to determine the relative value

of the jobs or groups of jobs. It also involves the pricing of these values by establishing the minimum and maximum salaries for each group of jobs based on their relative value. The operation ends with the final checking of the resulting wage or salary system."¹

This description shows that job evaluation involves several major phases such as securing and analyzing facts about jobs, writing up these facts into descriptions of the job, studying these descriptions and evaluating the jobs according to some rating method, and then pricing the jobs in relation to the evaluation.

Purpose of the Study

It is not the purpose of this study to condemn job evaluation nor to

* This thesis was presented this Spring by Walter Studak in partial fulfillment of the Requirements for an Industrial Management Course in the Graduate School of the University of Detroit. Walter is studying for his Master's degree in Business Administration and is assistant personnel manager at Bendix-Eclipse of Canada Limited, Automotive Products Division, Windsor, Ontario. He took his B.A. from Assumption in 1953 and his certificate of Industrial Relations from Queen's in 1954.

¹ *Industrial Job Evaluation of Systems*, U.S. Employment Service, Occupational Analysis Branch, October 1947, p. 19.

recommend the abolishment of this systematic approach to wage determination. Rather, the purpose of this study lies in developing an awareness of the pitfalls of job evaluation.

The great majority of books and articles written on this subject have concerned themselves with the application of job evaluation and the benefits to be gained thereby. While it is true that many of these same books and articles have dealt with the problems encountered in the installation of a system of job evaluation, it is the writer's contention that not enough emphasis has been placed upon the effect that these problems can have upon the success or failure of the job evaluation program.

Greater knowledge and familiarity with the possible inadequacies, difficulties, pitfalls and problems of job evaluation could result in a more logical approach when considering the adoption of a job evaluation program. Without such knowledge and familiarity these individuals charged with the responsibility for initiating the job evaluation program will find themselves somewhat handicapped and ill prepared to ward off the barbs and arrows of job evaluation protagonists.

Scope of Investigation

Since one of the main stumbling blocks in the path of job evaluation personnel are the labour unions, a great portion of this study is centred on their views and their opinions of job evaluation. An actual case recorded by the A.F.L.-C.I.O., is studied in this investigation of the union attitude toward job evaluation.

In order to attain its objectives, job evaluation sometimes becomes quite involved and complicated. In view of the complexity of the task

a systematic approach is of utmost necessity. It is this systematic and complicated approach that sometimes incurs the wrath of labour unions. Some of these complexities will be discussed in this study.

Various other pitfalls of job evaluation will be dealt with in the study to the extent that the initiator of the job evaluation program will tackle his task with a wary eye, fully cognizant of the difficulties he might encounter.

In closing the study, some recommendations are offered which might be of value in implementing a successful job evaluation program. These will deal for the most part in gaining union co-operation in installing and administering the program.

Conflict Over Wages

An all important consideration that basically explains all of the misunderstanding and conflict concerning job evaluation should be first discussed in order to reinforce the data in this study. A brief examination of the viewpoint of management and the worker towards wages will reflect a basic conflict inherent in our free enterprise system.

Management and Wages

Supposing the industrial manager of to-day was asked why the wage rate in his company is what it is, instead of X cents more or Y cents less; what factors guide him to his wage decisions?

The factors which guide the more influential segments of industrial management to a wage decision are:

- (1) the compulsion to maintain production.
- (2) the need to maintain a feasible price.
- (3) profits.²

To management the wage is a cost. Management's first reaction to any cost is to reduce it.

The worker likewise cannot give any concrete reason as to why his main consideration is that his wages be as high as can be obtained plus elimination of any wage inequities. The latter sometimes appears to be of greater importance than a high wage rate. The worker constantly compares his own wages with what he thinks other people in his own plant, doing much the same kind of work, are making.³

To the worker the wage is the means of subsistence primarily. Secondly it places him on a certain plateau, status-wise with his fellow workers, which explains his concern over wage inequities. To the worker the wage is an index to his standard of living. The worker's first reaction to subsistence — standard of living is to increase it. On the other hand, management's first reaction to any cost is to reduce it.

With both management and the worker exerting such upward and downward pressure upon wages, it follows that wages will be a contentious issue between these two forces. Naturally, and in keeping with the substance in this discussion, any device proposed by management to develop or to regulate the wage structure will be met with suspicion and alarm from the worker. It is therefore little wonder that job evaluation encounters problems.

2 L. Hazard, "What Economists Don't Know About Wages", *Harvard Business Review*, Vol. 35, No. 1, (January-February 1957) p. 49.

3 J. Otis, and R. Leukhart, *Job Evaluation*, (Prentice-Hall, Inc., Englewood Cliffs, N.J.), 1948, p. 48.

Labour Union Objections

Some labour unions vociferously denounce any type of job evaluation program. One of the main objectors to the system is the Textile Workers of America, C.I.O. Many criticisms have emanated from their studies of job evaluation programs most of which are based on the premise that the development of this technique by management has oriented it completely towards management's interests. Job evaluation, in the eyes of this union, is not impartial since it results from a specific wage philosophy of paying going wages. It is built on a series of judgments in the selection and fixing of job factors and in the establishment of a rigid set of graded values. It is not flexible nor is it easily adjusted to the changing conditions in our society. It reflects management's desire for a fixed, rigid method of economizing by evaluating jobs.⁴

The claim that job evaluation is sometimes used as a management tool is reinforced by an examination of the National Metal Trades Association Point System, the General Electric Point System, and the Westinghouse System. The National Metal Trades Association credits the working conditions factor with 10 per cent of the total point system. General Electric credits working conditions with 12½ per cent of the total point system, while Westinghouse credits 3½ per cent. Why should working conditions as a factor be credited with affecting the worth of a job by only 10, 12½, or 3½ per cent of all total points when it is known that many jobs are paid high rates because they are unwelcome and unpleasant?⁵

4 S. Barkin, "Wage Determination: Trick or Technique", *Labour and Nation*, (June-July, 1946) p. 24.

5 *Ibid.*, p. 25.

Analysis of these point systems indicates a fundamental defect. Arbitrary, assumed fixed weights or percentage values are assigned to factors such as working conditions, education, experience, skill on the job, etc. According to William Gomberg, in his *Manual on Job Evaluation*, the relative weights assigned these factors are subjects for collective bargaining and should take into consideration the type of industry wherein the job evaluation program is being implemented.⁵

Management Control

Methods used by management in installing and administering job evaluation programs have also been highly criticized. Management has been charged with setting up such programs behind closed doors and that information has been withheld from unions. Unions have charged that management used methods which would get the answer management wanted regardless of the accuracy of the results.

Another complaint directed towards the policies of administration is that once established, they are too rigidly adhered to. A fine example of this rigidity is found in the following situation!

A company producing machined forgings decided to set up its own forge shop to supply its existing machine shops. When the time came to man the new forge shop, the company asked some of its best machine shop operators to transfer there, as forge shop machine operators.

As an inducement, the company promised that they would be paid their prior average earnings (under the incentive plan) while the forge shop was getting underway and then

would earn more when full production was reached.

When the forge shop was in full production the company evaluated and time-studied the operations and set job rates and production standards. Resulting earnings were lower than the men had received in the machine shop. The company refused to adjust the earnings upward and the men struck. The union called in a consultant to determine the reasons for the lower earnings.

The consultant was taken into the plant superintendent's office by the union president and was greeted by these words by the superintendent, "I don't know why the union called you in. I know we promised these workers more money and we want to deliver on our promise, but our Bible won't let us." The Bible he pointed to was a copy of the company's job evaluation manual, an application of the National Metal Trades Association Plan.

A check of the time studies of the jobs in question revealed that the allowance for fatigue and personal time were inadequate and the company agreed to liberalize them, but earnings still fell below machine shop earnings.

Review of the job evaluation plan by the consultant led to the suggestion that the plan be revised to provide a higher value for the factors of physical demand, working conditions and hazards. The company balked. Although it had readily agreed to changes in time studies, it strongly resisted any tampering with its "\$50,000 investment," the job evaluation plan.

It took several more days of strike and pressure from customers before the company agreed to revise the plan, with the adjustments resulting in about 15 cents more per hour on

⁵ *Ibid.*, p. 25.

⁶ W. Gomberg, *A Labour Union Manual on Job Evaluation*, (Labour World Press, Chicago), 1947, p. 23.

the base rates. The men were then satisfied and returned to work.⁷

At no time did the company take a position that it did not want to increase the pay of these men. It wanted to live up to its promise. But its attitude toward the job evaluation plan was such that it did not even consider adjusting it to meet the practical situation and it then resisted strongly the efforts to adapt the plan to the special need.

This example shows too well what happens when management becomes enamoured with a job evaluation plan and loses sight of its objectives when administering the plan. The net result in this example being a strike.

Technological Change

Another problem which presents itself is that of technological change. When management embarks upon a campaign for technological improvement involving work simplification and job dilution in a factory, labour is faced with the following question, "Will such a program result in overall increased productivity per man hour or is it merely a device to permit management to use less skilled labour and cut wages while maintaining much the same productivity?"

Faced with such a situation, unions sometimes find themselves powerless to combat such technological improvements. Perhaps through the process of collective bargaining the union can win back some of the losses experienced by employees. However, in such situations there is likely to be some justification in labour's claim that the presence of an evaluation plan may actively stimulate job dilution for the purpose of cutting wages.⁸

Another problem encountered by the workers is that few job evaluation plans accept the principle of paying a higher rate of pay for more productive equipment even if the job requirements do not change. Management claims that technological improvements are not a determinant of wages.⁹ These plans maintain that increased productivity should not be a basis for establishing individual rates but should be reviewed in setting the general wage level. This position taken by management runs counter to management's statements that the benefits of new improvements should be shared with workers.¹⁰ Management has consistently reiterated these two principles yet the proponents of job evaluation have resisted organized labour in the effective application of these principles to the job evaluation program when technological change becomes an issue. Organized labour considers such application of these principles to be an essential part of any program of adjustments to technological change.

Other Objections

Job evaluation has also been criticized by labour spokesmen for its lack of logic. It is pointed out that if the job carries the rate, as the supporters of job evaluation insist, the question arises, "Why then have some well known evaluation manuals provided differentials between male and female rates?"

There seems to be no logical answer to this criticism. Some companies maintain that such differentials have been in existence for so long that management has given little thought to changing these obvious inequities. Nevertheless, it would appear that such inconsisten-

7 Collective Bargaining Report, A.F.L.-C.I.O., Vol. 2, No. 6 (June 1957) p. 38.

8 W. Gomberg, *A Labour Union Manual on Job Evaluation*, (Labour World Press, Chicago), 1947, p. 15.

9 S. Barkin, "Wage Determination: Trick or Technique", *Labour and Nation*, (June-July, 1946) p. 26.

10 Ibid., p. 26.

cies should be eliminated if the claims of job evaluation are taken seriously.

A traditional economic argument is presented by Solomon Barkin, Research Director of the Textile Workers Union of America, C.I.O. Mr. Barkin states that job rates are the product of an appraisal of different job factors and scales of value for different jobs within the same plant. Since there are differences between wage levels among industries, this reflects an absence of a completely rational system of values. How then can a single system of rational values be applied to job rates in an individual plant? How can such a system be properly applied when there is no other phase of the economy where values can be determined in such a rational manner. Prices, employer's salaries along with dividends and profits are not so fixed.¹¹ Therefore, Mr. Barkin feels that it is foolish to attempt to apply a rational approach to the internal plant wage structure.

Recommendations and Conclusions

Most of the objections expressed herein by labour unions have stemmed from a basic mistrust that labour has of any move on management's part to alter the wage structure. Any such action taken by management intensifies labour's suspicions especially when the action involves a somewhat complicated application of a job pricing system. As a result of these suspicions, labour limits any cooperation in job evaluation. Without this cooperation the job evaluation plan can hope for little success. The solution to this problem lies in the hands of management to eliminate this basic suspicion that organized labour harbours when the job evaluation plan is initiated.

Many companies have discovered and applied a successful solution to

this difficulty. The answer lies in a sincere invitation from the company to the union offering them an opportunity to participate in the job evaluation program. By allowing the union to participate in the program the company can accomplish three objectives for the union thereby minimizing any possible difficulties that may arise during the initiation and subsequent administration of the plan.

Union leaders have three factors in mind at all times in dealing with matters pertaining to wages. First, in those situations where job evaluation is in use they find it desirable to have a knowledge of the basis for the wage structure so that in the collective bargaining process they will not be at a disadvantage because of a lack of information. Second, it is necessary for the union representative to justify the various wage decisions to union membership. Without a complete and accurate knowledge of the basis of the wage determination, it would be difficult for these representatives to keep their membership fully informed concerning the wage structure. Third, a union representative must have a complete knowledge of the system and its operation in order to police the wage structure once it has been installed. It is quite essential that the union understand all general aspects of the evaluation.¹¹

The degree of union participation should be specified in the contract. Some unions may wish to participate while others may merely wish to check management findings. Whatever the degree of participation, the way wages are to be determined for the new jobs should be understood. In the final analysis the nature of

¹¹ Ibid., p. 27.

¹¹ J. Otis, and R. Leukhart, *Job Evaluation*, (Prentice-Hall, Inc., Englewood Cliffs, N.J.), 1948, p. 69.

the relationship between the company and the union should be studied carefully so that sound working relationships can be maintained on the aspects of job evaluation.

There is one inherent danger in joint union-management participation in job evaluation plans. Management should not be lulled into a false sense of security due to union acceptance and cooperation in job evaluation. In the event that difficulties should arise over wage rates between the company and the workers strong pressure will be placed upon union representatives by the workers to take their side of the argument. Faced with this internal political problem the union leaders will think twice before capitulating to management's side on any job evaluation difficulty that becomes an issue between the company and its employees. Management must never lose sight of the fact that a union leader's first allegiance is to the worker.

Participation by the union is not a sure cure-all for the problems encountered by job evaluation plans. It has certain advantages and disadvantages. However, thus far it has been one of the better means of attaining cooperation from the union and eliminating any mistrust or suspicion.

Some of the other job evaluation difficulties mentioned in this study could be solved through the joint participation or review method by unions and management. Problems arising from the point system could

be subjected to such a treatment and perhaps result in the emergence of a better and more realistic point rating structure.

Disputes arising from management administration and control of the plan might be intensified through any system of joint participation. This would of course depend basically upon the historical employment relationship between the two parties. This would also apply to the problem of technological change.

Job evaluation problems which involve labour unions can be solved to a degree by an enlightened management which realizes that the job evaluation plan can run into difficulties if handled carelessly. Sound administration policies coupled with a realization of the impact of job evaluation decisions upon employees can do much to dispel the probable chances of failure for the job evaluation plan.

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Book Reviews

MANAGERIAL PSYCHOLOGY

An introduction to Individuals, Groups and Industrial Organizations in terms of Modern Psychology by Harold J. Leavitt, The University of Chicago Press, 1958. Reviewed by John B. Boyd, The Hydro-Electric Power Commission of Ontario.

It is a bold author who proclaims that he has chosen to emphasize theory in a book designed for business people. However, even the most practical-minded need not be deterred from this book, for the author of "Managerial Psychology" fulfills his promise of making it simple, straightforward and practical.

Actually, theory does not make up the bulk of the book and such as occurs is used to provide a framework for understanding everyday behaviour. In this way, he does something to combat over-simple notions of motivation, to assist in an appreciation of the nature and sources of individual differences, and to throw some light on the complexities of knowing. A minor quarrel this reviewer has with the author is in the chapter on "Learning, Thinking, Problem Solving." The assiduous attempt to represent learning in mechanical terms comes as a distraction rather than a help in the context. Fortunately, he soon leaves his wiring diagram behind with only an occasional later reference.

Valuable as is the general framework on the whole, it is when Leavitt uses his psychology, together with the first-hand knowledge of industry which he obviously has, to analyze practical managerial prob-

lems that he is likely to have his greatest appeal to his intended audience. An example of this is his treatment of the "Developing Managers" which appears as chapter 17. After rejecting the idea of an ideal manager type on the grounds that managers differ in the ways that other people do, he sets out to analyze the distinctive role which the manager has to play in the organization. From this and from what is known about how people learn, he deduces a systematic rational method of management training. This provides a wholesome change from the hunches and biases which have so often been the order of the day in this field. In the light of this analysis, some training methods look better than others. It is hardly the fault of the author if the programme to which his deductions lead is not exactly the easiest to arrange. It nonetheless makes sense, in this reviewer's opinion. He might be criticized on another count, however, and that is his failure to remind his readers that all his deductions provide only a sound basis for trial. The evidence in the form of the extent to which these methods have helped to produce good managers has not as yet been furnished. He has, in scientific jargon, a good hypothesis but it has as yet been neither sustained nor rejected.

There is a good chapter on "The Assessment of People" which begins with the values of the limitations of psychological tests. It goes on to discuss judging of people in formal interviews and in day-to-day contacts, showing how facts and feelings become entangled.

In a chapter on communication, he explains some of the reasons why what is told, even clearly told, so often does not get through.

Four chapters are devoted to the subject of influencing other people,

in which are discussed conditions under which people embrace change willingly, accept it with resentment or resist it. Authority as one form of influence is considered, indicating where its use has advantages but showing on the other hand the penalties which may attach to its use. Money incentives are another form of influence and a good deal is done to clear up the confusion which commonly surrounds this topic.

The ethical issues which the subject of influence raises are treated rather lightly with a statement to the effect that influence is necessary so it is silly to be against it. This will not satisfy psychologists who are deeply concerned lest science be used against man rather than for him, namely, by aiding those who seek to control others for their own personal ends. He does, however, show that he is against this sort of thing in his concept of joint responsibility of the one who seeks to influence another and the one who is the target of influence.

For the most part, then, the content of the book is made up of a general framework of psychological explanation and of analysis in psychological terms of practical management problems, of which a few examples have been given. A third kind of content should be mentioned, namely, relevant findings from modern research. A good example of this is in the chapter "Communication Nets in Groups". Whereas the first two kinds of content deal in explanation and analysis of familiar fact, this is an example of the introduction of little known facts about the effects of the structure of communication channels in differentiating roles and influencing attitudes.

The final chapter is a look into the future of organizations. It is a

daring venture with so many trends developing, and the author is the first to admit the uncertainties. It is a stimulating, though a somewhat frightening picture, pointing as it does to the possibility that middle management will be largely "programmed out".

It is a chapter, however, that fails to live up to its promise—which is, a look at how organizations can be designed in human terms. Surely this can only mean in terms of human needs. Yet, as he rapidly sketches in his picture, the only human need which seems to have any place is the need for problem-solving efficiency. He has forgotten all those other needs which his book has stressed. It might be too much to expect him to have designed the human-centred organization of the future. But, surely he could have pointed up the issues on which human design depends.

In conclusion, it may be said that the author has neatly avoided indefiniteness on the one hand and exaggerated claims on the other. It is a book which is highly recommended for the manager seeking a brief practical exposition of what psychology has to offer in some of his pressing problems. It is equally recommended to the psychologist desiring insight into the problems of managers.

MANAGEMENT CREEDS AND PHILOSOPHIES

"Management Creeds and Philosophies—the Management Guides in our Changing Economy", by Stewart Thompson, published by the American Management Association Inc., \$3.00. Reviewed by J. Rae Perigoe.

This is a pleasure which I have reserved for myself for two reasons. First, Stewart Thompson is an old

friend, and second, he deals with a subject which I feel is extremely important to management.

The effectiveness of the application of the principles of management is largely dependent upon what is in the minds of those who apply them. I don't think management always knows what is in its mind until it has to put it down on paper.

Stewart Thompson has done a tremendous job of work in compiling this company survey of creeds.

The author is the first Canadian to have prepared an American Management Association research report. Mr. Thompson is associated with Supersilk Hosiery Mills, a division of General Products Manufacturing Corporation Ltd., London, Ontario. His published articles include Developing a Management Philosophy, Creative Thinking: The Untapped Profit Potential, How To Spark An Idea, The Management Audit, and others.

Last spring he led a seminar in the study of management development techniques at London, Ontario.

This report presents five case studies that outline the development of management creeds in five successful companies. Four of these trace the creed from the first proposal of the idea to its practical application in the affairs of the company. One case study describes a situation in which the necessity for a creed has been felt but none has yet been developed.

The report presents reproductions of a variety of creeds, ranging from short sentences setting overall goals and ethical guides to quite lengthy documents which not only set basic policy but also state specifically how these policies are to be followed in daily work.

We have tried unsuccessfully to stimulate articles on the subject of creeds and philosophies of Canadian management in the *Personnel Journal*. However, Stewart Thompson promises an article on this subject in an early issue.

There must be a goodly number of our readers who have a guilty conscience about their own lack of a written management philosophy. If you are in that category you can take a first step by a conscientious reading of Stewart's book.

Letters to the Editor

I have read with interest the article of Mr. J. H. Clawson on "Union Security Clauses and the right to work" and I would like to comment on the statement made regarding compulsory check-off: "Others admit that the only compulsion they seek is payment of dues. This more moderate attitude explains why many Unions are now willing to settle for such forms of Union security as compulsory dues check-off (The Rand Formula). Although such devices are vulnerable to attack on other grounds, the kind of problems posed in this Article do not arise with them."

In my opinion one form of compulsion is not better than another and I would be inclined to suspect that some day under this regime some employee will lose his job because the Union will refuse to accept payment of his dues because of some deed which will be thought of as detrimental to the Union.

I do not believe that if the amount equal to the dues were returned to an employer as unacceptable to the Union, the employer would have much recourse against the Union, and unless the employee would in-

stitute court procedures against the Union, it is my opinion that he would find himself in the same position as if he was working under a compulsory membership Clause.

We are yet far from legislation similar to the Taft-Hartley Act.—
R. G. Villeneuve, Montreal, Que.

P.N.M.A. HOLDS 20TH CONFERENCE

Pacific Northwest Management Association holds its 20th annual conference October 23 to October 25 at the Empress Hotel in Victoria, B.C.

Program speakers include Dr. Eugene Forsey, director of research, Canadian Labour Congress; Charles M. Mason, vice-president employee relations, United Air Lines, Chicago; F. J. Gleeson, director of personnel, Northern States Power Company, Minneapolis; Hugh Hodgins, vice president Crown Zellerbach Company, Vancouver, B.C.; Dr. G. M. Schrum, Dean of graduate studies and head of Physics department, University of British Columbia.

Conference program "Concerns the hard facts of personnel management in business, government and industry of to-day."

NEW EXECUTIVE FOR GRAND VALLEY

New executive for the Grand Valley Personnel Association includes President G. H. Durocher, Hall Brother, Kitchener; Vice-President A. H. S. Smith, Savage Shoes Limited, Preston; Second Vice-President N. J. Long, Dominion Electrohome Industries Limited, Kitchener; Secretary-Treasurer T. W. Montgomery, Dow Kingsbeer Brewery Ltd., Kitchener; Directors, L. I. Plaskett, Brantford Coach and Body Ltd., Brantford; L. F. Hiller, Dominion Rubber Co. Ltd., Kitchener; H. W.

Seekings, J. M. Scheider Ltd., Kitchener; J. C. Baird, Babcock-Wilcox & Goldie-McCulloch, Ltd., Galt; J. H. Bott, Dominion Electrohome Industries Limited, Kitchener.

PERIODICAL INDEX INCLUDES JOURNAL

Articles in the Canadian Personnel & Industrial Relations Journal will be among those listed in Canadian Business and Technical Index, a specialized index to Canadian business and technical periodicals to be prepared in consultation with the Canadian Library Association by the Toronto Public Library.

Repeated enquiries indicate the important role played in economic advance here and abroad by business and technical periodicals published in Canada. At present, there is no cumulative index to the articles and information appearing in these periodicals.

The Canadian Index, published yearly by the Canadian Library Association, Ottawa, in co-operation with the National Library, provides a yearly cumulated index to 66 Canadian periodicals, that deal, for the most part, with general, educational, literary and cultural fields.

In 1959, the Toronto Public Libraries will issue its new bi-monthly index covering 30 business and technical periodicals not included in the Canadian Index. If sufficient orders are received, it will publish an annual cumulation of this index.

A minimum of 60 subscribers is necessary and the library requests that businesses, librarians and individuals who wish this service, at an annual cost of \$20, send advance subscriptions before November 15, 1958, to the Publication Section, Toronto Public Libraries, Toronto 2-B. No money need be sent at this time and subscribers will not be billed until after publication.

INDUSTRIAL WAGES HAVE RISEN FAST

"Canada, like the United States, has been experiencing a wage inflation due to excessive increases in wages and in other labor costs," Dr. Jules Backman, Professor of Economics, New York University, told the Canadian Manufacturers' Association at the Queen Elizabeth Hotel in Montreal recently.

"Between 1947 and 1957, average hourly earnings in manufacturing industries doubled or showed an annual rise of slightly over seven percent. The 10 year rise in unit labor costs was 63.6 percent or about five percent per year. During the same period, the retail price index rose 43.8 percent and the wholesale price index by 39.2 percent."

Five Percent Rise

"Between 1955 and 1958, average hourly earnings increased by 10.7 percent or a little more than five percent a year. During this period, the consumer price index and wholesale prices rose an average of about two percent a year.

"Average hourly earnings in manufacturing industries in Canada have risen from 70.5 cents in 1944 to \$1.60 in 1957. This increase of almost 90 cents an hour or 127 percent in a period of approximately 13 years, is one of the most sensational in your history. However, this period was also one of rising prices. From 1944 to 1957, the consumer price index rose by 63.4 percent or about half as much as the rise in hourly earnings. Between 1947 and 1957, real hourly earnings in Canada rose 3.3 percent per year as compared with a rise of about two percent in output per manhour. . . ."

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